

April 12, 2016

Senator Dale Zorn, Chair
Michigan Senate Local Government Committee
710 Farnum Building
Lansing, MI 48909

Dear Chairman Zorn,

The Michigan Energy Innovation Business Council (Michigan EIBC), a business trade association representing companies in Michigan's advanced energy industry, writes to express its support for House Bills 4990, 4991, 4992, 4993 and 4994, and encourages the Senate Local Government Committee to report this bill with recommendation to the full Senate.

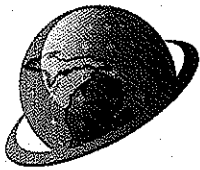
This legislative package is intended to expand financing tools for local units of government working to cut energy use. Many of our member companies are directly involved in energy conservation, efficiency and waste management; we believe this package benefits taxpayers and business alike in this state and helps cultivate a fast-growing industry in Michigan.

Michigan's energy efficiency industry is growing and has enormous potential. Nearly 48 thousand Michigan residents are employed in the energy efficiency sector now¹, with potential for growth. A recent study highlighted that Michigan could see 66 thousand new jobs created directly and indirectly if we cultivate this industry². This is just one of those ways we can do this. By allowing local units of government to use low-cost financing they can be fiscally responsible to their taxpayers while helping grow an industry that will benefit every resident.

This legislation expands financing options for local governments to curb the energy use of their buildings, utilizing tax-exempt lease purchase agreements. As the interest paid to the lease provider is tax-exempt, local units of government will have lower interest costs than traditional financing. Additionally, since this is a yearly lease agreement, TELPs would not be seen as new long-term debt. Allowing local units of government to use this tool will encourage more investments in energy waste reduction.

¹ Michigan Executive Summary. (2016). In *Clean Energy Jobs Midwest*. Retrieved April 11, 2016.

² Adriaens, P. (2016, March). Michigan Jobs Project: A Guide to Creating Advanced Energy Jobs, page 31. In *American Jobs Project*. Retrieved April 11, 2016.



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This legislative package also expands what local units of government can count as an energy conservation project. The legislation would now extend this and other tools to cover improvements in ventilation, information technology improvements associated with energy conservation, and municipal utility improvements associated with energy conservation improvements.

Again, Michigan EIBC thanks the Senate Local Government Committee for taking up HB 4990 – 4994, and we encourage the Committee's support. Thank you for your consideration of this legislation.

Sincerely,

Liesl Eichler Clark, Michigan EIBC President

Cc: Members of the Senate Local Government Committee